

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2000-0166-E - ORDER NO. 2000-0326

APRIL 4, 2000

IN RE: Petition of Duke Power for Authorization for	)	ORDER APPROVING
Regulatory Accounting Purposes to Amortize	)	ACCOUNTING
an Injuries and Damages Liability Accrual	)	TREATMENT
Over a Three and a Half-Year Period.	)	
	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request by Duke Power (Duke) for this Commission to authorize for regulatory accounting purposes an amortization of injuries and damages liability accrual over a three and a half year period.

Specifically, Duke is requesting authorization for regulatory accounting purposes to amortize its recent \$800 million of injuries and damages liability accrual over a three and a half year period to FERC Account 925, Injuries and Damages Expense.

Duke states that it has experienced and continues to experience significant injuries and damages claims relating to damages for personal injury alleged to have arisen from the exposure to or use of asbestos in connection with Duke's construction and maintenance of its electric generation plants. Also, according to Duke, during late 1999, Duke experienced a significant increase in the number of claims it received. This increase, coupled with its cumulative experience in claims, indicate the existence of a substantial liability exposure for injuries and damages claims related to employee

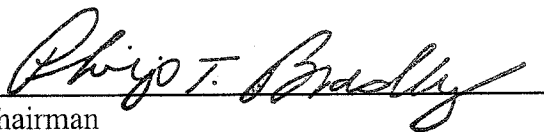
exposure to asbestos. Duke has recorded a liability for these total expected claims in its accounting records.

For regulatory accounting purposes, the Company's request would result in an annual amortization to FERC Account 925 for injuries and damages reflecting amortization of this reserve over a three and a half year period. Duke's requested accounting contemplates no change in existing rates.

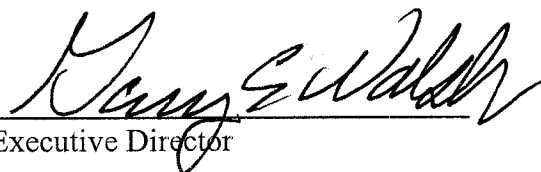
Because of the above-stated reasoning, we agree with the Company's proposal, and approve it as filed. We note that the proposal does not result in a rate change.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)